



Burley Tobacco

1999 Support Program and Related Information

Statutory Authority

Farm marketing quotas on a poundage basis are in effect for 1999-crop burley tobacco. Since 1971, the Agricultural Adjustment Act of 1938, as amended, has authorized burley poundage quotas in lieu of acreage allotments. The statutory authority was further amended in 1986 to revise the formulas for the marketing quota and price support level. By 97.5 percent, producers voting in a February 1998 referendum approved the poundage program for the 1998-2000 crops. The marketing year for burley tobacco begins October 1.

Marketing Quotas

The national marketing quota for the 1999 burley crop is 453 million pounds, 29 percent less than the 1998-crop quota. Under poundage marketing quotas, if the marketings from a farm are less than the poundage quota for the farm, the difference is added to the farm's quota for the next crop year. Marketings above a farm's poundage quota are deducted from the next year's quota.

Loan Level

The national support level for the 1999-crop burley tobacco is 178.9 cents per pound, 1.1 cents above that for 1998. USDA sets individual grade rates before the marketing season begins.

Assessments

As a condition of price support eligibility, both burley tobacco producers and buyers must pay a no-net-cost assessment for the 1999 crop. The no-net-cost assessment has been set at 3 cents per pound for both producers and buyers for the 1999-crop year.

Support Method

Price support is available to qualified growers through the Burley Tobacco Growers Cooperative Association and the Burley Stabilization Corporation under contractual agreement with USDA's Commodity Credit Corporation (CCC). The stabilization cooperatives

automatically buy the tobacco not sold at the support rate, using funds loaned by CCC. Up to 103 percent of a farm's poundage quota is eligible for support. Producers are required to certify that pesticides used to produce their tobacco crop have been approved by the Environmental Protection Agency and that these products have been used in accordance with label directions.

Loan Inventory

As of April 1, 1999, the two stabilization cooperatives held 153 million pounds of tobacco, farm sales weight. On December 1, 1994, the two cooperatives contracted to sell inventories of 1991-93 crops over a 7-year period.

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Fact Sheet
Burley Tobacco

Crop Year	National Marketing Quota (million lbs.)	Production (million lbs.)	National Average Support Price (cents per lb.)	No-Net-Cost Assessment		Average Price to Farmers (cents per lb.)	Farm Value (million \$)
				Producers	Buyers		
1960		484.7	57.2			64.3	311.5
1961		580.3	57.2			66.5	386.1
1962		674.9	57.8			58.6	395.4
1963		755.1	58.3			59.2	446.7
1964		619.8	58.9			60.3	373.8
1965		586.3	59.5			67.0	392.8
1966		586.7	60.6			66.9	392.5
1967		540.6	61.8			71.8	388.2
1968		563.4	63.5			73.7	415.1
1969		591.4	65.8			69.6	411.6
1970		560.5	68.6			72.2	404.9
1971	555	472.6	71.5			80.9	382.4
1972	532	590.3 ²	74.9			79.2	467.7
1973	560	461.9	78.9			92.9	429.3
1974	606	610.4	85.8			113.7	694.0
1975	670	638.3	96.1			105.5	674.0
1976	635	663.8	109.3			114.2	924.9
1977	636	612.5	117.3			120.0	1,311.2
1978	614	617.6	124.7			131.2	1,405.8
1979	614	445.8	133.3			145.2	933.8
1980	614	557.5	145.9			165.9	1,263.9
1981	660	725.6	163.6			180.7	863.8
1982	680	776.7	175.1	1.00		181.0	1,405.8
1983	647	526.7	175.1	5.00		177.3	933.8
1984	582	637.7	175.1	9.00		187.6	1,263.9
1985	524	541.9	148.8 ³	4.00 ⁴		159.4	863.8
1986	493	419.8	148.8	2.75	1.25	156.5	657.0
1987	464	427.5	148.8	0.80	2.00	156.3	668.2
1988	473	468.1	150.0	1.00	0.80	161.1	754.1
1989	588	498.3	153.2	1.00	1.00	167.2	833.2
1990	602	592.2	155.8	1.00	1.00	175.3	1,038.1
1991	726	657.0	158.4	1.00	1.00	178.8	1,174.7
1992	670	699.8	164.9	1.00	1.00	181.5	1,270.1
1993	602	626.6	168.3	1.00	3.50	181.6	1,137.9
1994	536	568.0	171.4	4.50	4.60	184.1	1,051.2
1995	547	480.4	172.5	1.00	1.00	185.5	891.1
1996	631	516.3	173.7	1.00	1.00	192.2	992.3
1997	705	628.8	176.0	1.00	1.00	188.5	1185.3
1998	635	588.0	177.8	3.00	3.00	190.4	1119.6
1999	451		178.9	3.00	3.00		

¹ Includes budget deficit assessment (1988 and 1989) and marketing assessment beginning in 1991.

² Marketings beginning in 1972.

³ Reduced from 178.8 by Public Law 99-157, November 15, 1985.

⁴ Reduced from 30 cents by P.L. 99-157.

(For statistics for the years 1940 through 1959, see "Burley Tobacco Commodity Fact Sheet," dated April 1978.)